



House of Representatives

General Assembly

File No. 460

January Session, 2015

Substitute House Bill No. 6259

House of Representatives, April 7, 2015

The Committee on Planning and Development reported through REP. MILLER, P. of the 36th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING THE BOUNDARIES OF REGIONAL ECONOMIC DEVELOPMENT DISTRICTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 32-741 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2015*):

3 (a) In order to coordinate, implement and promote responsible
4 economic growth and activities in this state, any of the following
5 entities may, after approval by the Commissioner of Economic and
6 Community Development, the Secretary of the Office of Policy and
7 Management and the Assistant Secretary of Economic Development of
8 the United States Department of Commerce, either individually or in
9 conjunction with one or more other such entities, establish a regional
10 economic development district for the purposes of sections 8-35a, 16a-
11 27, 32-1o and 32-742 to 32-745, inclusive: (1) A regional economic
12 development commission formed under section 7-137; (2) any
13 organization that has a strategy that would meet the requirements of

14 section 32-742 and has been approved by the Assistant Secretary of
 15 Economic Development of the United States Department of
 16 Commerce; (3) a corporation exempt from federal income tax under
 17 Section 501(a) of the Internal Revenue Code of 1986, or any subsequent
 18 corresponding internal revenue code of the United States, as amended
 19 from time to time; (4) another regional economic development
 20 commission or corporation formed under any other provision of the
 21 general statutes or any special act; or (5) a regional [planning
 22 organization] council of governments, as defined in section 4-124i. The
 23 entity or entities establishing a regional economic development district
 24 shall provide for a board of directors of the district. Not more than
 25 [eight] nine regional economic development districts shall be
 26 established pursuant to this subsection.

27 (b) The boundaries of such districts shall encompass one or more
 28 planning regions, designated or redesignated pursuant to section 16a-
 29 4a. [, or, to the extent practicable, be contiguous with boundaries of
 30 former county government regions. Each regional economic
 31 development district established pursuant to this section shall comply
 32 with the distress requirement provisions of 13 CFR 301.3(a)(1).]

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2015	32-741

PD *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill 1) increases the number of regional economic development districts (REDD) that can be established in the state and requires them to be aligned with planning region boundaries; and 2) eliminates a provision that specifies that a REDD must meet economic distress criteria established in federal regulations.

The bill is not anticipated to have a fiscal impact as it is not expected to impact the cost of operating a REDD, or the cost to municipalities of participating in a REDD.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**sHB 6259*****AN ACT CONCERNING THE BOUNDARIES OF REGIONAL ECONOMIC DEVELOPMENT DISTRICTS.*****SUMMARY:**

This bill increases, from eight to nine, the maximum number of regional economic development districts (REDD) that can be established in the state.

Under current law, REDDs must either (1) align with at least one planning region's boundaries (see BACKGROUND) or (2) to the extent practicable, align with former county boundaries. The bill eliminates the latter option, thus REDD boundaries must align with at least one planning region's boundaries. The bill eliminates a provision that specifies that a REDD must meet economic distress criteria established in federal regulations (see BACKGROUND).

By law, regional planning and economic development organizations may establish REDDs to coordinate economic development projects and prepare comprehensive economic development strategies (CEDS), which are required for certain types of federal Economic Development Administration (EDA) assistance.

The bill also makes a conforming change.

EFFECTIVE DATE: October 1, 2015

BACKGROUND***Planning Regions***

By law, the Office of Policy and Management secretary designates local planning regions within the state. In doing so, the secretary must evaluate labor and economic development trends, natural and political

boundaries, demographics, service delivery regions, transportation patterns, relationships between municipalities, and regional planning organizations' capacity to deliver services (CGS § 16a-4c). Currently, there are nine planning regions.

Distress Requirements (13 CFR 301.3(a)(1))

Federal law requires recipients of certain types of EDA assistance to meet at least one of the following economic distress criteria:

1. an unemployment rate that is, for the most recent 24-month period for which data are available, at least one percentage point greater than the national average unemployment rate;
2. per capita income that is, for the most recent period for which data are available, 80% or less of the national average; or
3. a special need, as determined by the EDA.

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute

Yea 19 Nay 0 (03/20/2015)